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FOR CODEL MCHUGH

E.O. 12356: DECL: OADR
TAGS : PREL, JO, US, IS, XF
SUBJECT : CODEL MCHUGH WRAP-UP REPORT

1. CONFIDENTIAL - ENTIRE TEXT

2. SUMMARY: CONGRESSMEN MCHUGH OF NEW YORK, LEHMAN OF FLORIDA, PRITCHARD OF WASHINGTON, AND MARRIOTT OF UTAH ALONG WITH DELEGATE DELUGO OF THE VIRGIN ISLANDS VISITED JORDAN JANUARY 7 - 10. THE CONGRESSMEN WERE ACCOMPANIED BY EDWIN POWERS, STAFF DIRECTOR OF THE HAC SUBCOMMITTEE ON FOREIGN OPERATIONS; WILLIAM SCHUERC PROFESSIONAL STAFF HAC SUBCOMMITTEE ON FOREIGN OPERATIONS; MARIANNE O'SULLIVAN, AID CONGRESSIONAL LIAISON STAFF; AND PETER BURLEIGH, INR, DEPARTMENT OF STATE. THE PURPOSE OF THE CODEL'S VISIT TO JORDAN WAS TO REVIEW U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS. AMBASSADOR, USAID DIRECTOR, AND DAO BRIEFED CODEL AT AMBASSADOR'S RESIDENCE ON THE EVENING OF ARRIVAL. THE CODEL MET WITH TOP JORDANIAN ECONOMIC, POLITICAL, AND MILITARY LEADERS INCLUDING JAF COMMANDER-IN-CHIEF BIN SHAKER, NATIONAL PLANNING COUNCIL PRESIDENT HANNA ODEH, AND FOREIGN MINISTER MARWAN KASIM. THE HIGHLIGHT OF THE VISIT WAS A DINNER ON THE CODEL'S FIRST EVENING IN AMMAN HOSTED BY KING HUSSEIN AND QUEEN NOOR FOR THE CODEL, INCLUDING WIVES. AMBASSADOR AND MRS. VIETS AND ED POWERS ALSO ATTENDED. PRIOR TO THE DINNER, KING HUSSEIN MET PRIVATELY WITH THE CONGRESSMEN, PROFESSIONAL STAFF REPRESENTATIVE POWERS, AND AMBASSADOR VIETS. ON JANUARY 9 THE CODEL HAD OPPORTUNITY TO VISIT AN UNRWA SUPPORTED REFUGEE CAMP NEAR AMMAN AND TO VIEW RECENT ECONOMIC AND AGRICULTURAL DEVELOPMENTS IN THE JORDAN RIVER VALLEY, INCLUDING USAID-FINANCED SCHOOLS, CLINICS, ROADS, IRRIGATION SCHEMES, AND ADMINISTRATIVE CENTERS. CROWN PRINCE HASSAN HOSTED A LUNCHEON FOR THE CODEL AT THE JORDAN VALLEY AUTHORITY DEIR ALLA REST HOUSE. EMBASSY BELIEVES CODEL MCHUGH VISIT TO JORDAN WAS HIGHLY SUCCESSFUL. END SUMMARY

3. SEPTELS REPORT CONVERSATIONS BETWEEN CODEL MCHUGH, AMBASSADOR AND COMMANDER-IN-CHIEF ZAID BIN SHAKER, FOREIGN MINISTER MARWAN KASIM, AND NATIONAL PLANNING

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COUNCIL PRESIDENT HANNA ODEH AS WELL AS THE MEETING WITH KING HUSSEIN ON THE EVENING OF JANUARY 7.

4. ON JANUARY 9, USAID OFFICERS ESCORTED CODEL ON A TOUR OF ECONOMIC AND AGRICULTURAL DEVELOPMENT PROJECTS IN THE JORDAN VALLEY. ENROUTE TO THE VALLEY, THE CODEL STOPPED AT THE JEBEL HUSSEIN REFUGEE CAMP FOR A BRIEFING BY UNRWA OFFICIALS ON REFUGEE AFFAIRS AND TOURED CAMP SCHOOLS, CLINICS, VOCATIONAL TRAINING AND SUPPLEMENTARY FEEDING PROGRAMS. THE TOUR OF THE JORDAN VALLEY INCLUDED THE AID-ASSISTED EAST GHOR CANAL TO AMMAN WATER PIPELINE PROJECT AS WELL AS USAID-FINANCED SCHOOLS, HEALTH AND REGIONAL ADMINISTRATIVE CENTERS, THE USAID-FINANCED EAST GHOR MAIN IRRIGATION CANAL AND AID-SUPPORTED ROADS AND IRRIGATION SYSTEMS. CROWN PRINCE HASSAN HOSTED LUNCHEON AT THE JVA DEIR ALLA GUEST HOUSE. THE LUNCHEON WAS PRECEDED BY A BRIEFING BY DR. MUNTER HADDADIN, PRESIDENT OF THE JORDAN VALLEY AUTHORITY. HADDADIN STRESSED THE "INTEGRATED" NATURE OF THE JORDAN VALLEY DEVELOPMENT SCHEME WHICH COMBINED INFRASTRUCTURE FACILITIES AND SOCIAL SERVICES. EQUALLY IMPRESSIVE, HADDADIN SAID, WAS THE PRIVATE SECTOR (FARMERS AND ENTREPRENEURS ALIKE) INVESTMENT OF MILLIONS OF DINARS IN ON-FARM FACILITIES. FOR EVERY ONE JORDANIAN DINAR INVESTED BY THE GOVERNMENT IN INFRASTRUCTURE, SOME 7 DINARS HAVE BEEN INVESTED BY THE PRIVATE SECTOR IN AGRICULTURAL AND COMMERCIAL PROJECTS. AGRICULTURAL OUTPUT OF THE VALLEY INCREASED MORE THAN EIGHTFOLD DURING THE PAST DECADE TO DOLS 150 MILLION WORTH OF FRUITS AND VEGETABLES IN 1982. HADDADIN STRESSED THE IMPORTANCE OF AID'S CONTRIBUTION TO THE DEVELOPMENT OF THE JORDAN VALLEY AS WELL AS THE AUTHORITY'S PROFOUND DISAPPOINTMENT THAT AID FUNDING FOR INFRASTRUCTURE PROJECTS IN THE VALLEY IS NO LONGER AVAILABLE.

5. FOLLOWING HADDADIN'S PRESENTATION, CROWN PRINCE HASSAN SPOKE ELOQUENTLY TO THE CODEL ABOUT JORDAN'S DEVELOPMENT ACHIEVEMENTS. HE EXPRESSED APPRECIATION FOR U.S. ASSISTANCE IN SUPPORT OF JORDAN VALLEY DEVELOPMENT PROGRAMS AT THE PLANNING STAGE, THE IRRIGATION SYSTEM CONSTRUCTION STAGE, AND THE INTEGRATED RURAL DEVELOPMENT STAGE. HE RECALLED HIS OWN EFFORTS IN THE EARLY 1970'S TO OBTAIN INTERNATIONAL FINANCING FOR DEVELOPMENT PROJECTS AND THE RELUCTANCE HE ENCOUNTERED ON THE PART OF THE WORLD BANK AND

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OTHER DONORS TO COME FORTH WITH FINANCING AT THAT TIME. HE NOTED THAT IT WAS ONLY AFTER JORDAN PROVED ITSELF DURING THE 1972-74 DEVELOPMENT PLAN THAT CONFIDENCE WAS REESTABLISHED IN JORDAN'S ECONOMIC MANAGEMENT ABILITIES.

6. COMMENTING ON CURRENT ECONOMIC CONDITIONS, HASSAN STATED THAT JORDAN HAD TRADITIONALLY EMPHASIZED THE DEVELOPMENT OF ITS MOST IMPORTANT RESOURCE--HUMAN SKILLS. HE STATED THAT THERE HAD BEEN STRONG DEMAND FOR JORDAN'S PRODUCTIVE MANPOWER IN THE OIL PRODUCING STATES DURING THE PAST DECADE BUT THAT THE SITUATION IS CHANGING. HE REPORTED THAT SOME OF THE GULF STATES ARE NOW TERMINATING OR FAILING TO RENEW CONTRACTS OF MANY JORDANIAN WORKERS. JORDAN ALSO IS FACING A TIGHTENING MARKET FOR VALLEY AGRICULTURAL

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PRODUCTS. SAUDI ARABIA AND THE GULF STATES HAVE INVESTED HEAVILY IN HIGHLY SUBSIDIZED AGRICULTURE AND OTHER COUNTRIES IN THE REGION, SUCH AS TURKEY, ARE ATTEMPTING TO PENETRATE GULF MARKETS. IN THIS REGARD, JORDAN NEEDS TO PLACE MORE IMPORTANCE ON THE SUCCESSFUL MARKETING OF ITS AGRICULTURAL PRODUCE. TRADITIONAL EXPORTS TO IRAQ ARE BEING CONSTRAINED BY OTHER FACTORS.

7. THE CROWN PRINCE CONCLUDED HIS REMARKS WITH A DESCRIPTION OF THE PALESTINIAN PROBLEM, INCLUDING REFERENCE TO THE 300 THOUSAND PALESTINIANS IN LEBANON AND THE MORE THAN ONE MILLION PALESTINIANS ON THE WEST BANK AND GAZA. HE DESCRIBED THE ISRAELI SETTLEMENT POLICY ON THE WEST BANK AND STATED THAT THE PER CAPITA INCOME OF THE WEST BANKERS HAS NOT IMPROVED SINCE 1967. AS THE SETTLEMENT POLICY CONTINUES, THE ECONOMIC WELL BEING OF THE WEST BANK PALESTINIANS CAN ONLY WORSEN. "AND TO WHERE WILL THESE PALESTINIANS THEN TURN?", THE PRINCE ASKED RHETORICALLY. AS A FINAL POINT, THE CROWN PRINCE CONTRASTED THE DOLS 2.7 BILLION IN U.S. ECONOMIC AND MILITARY AID TO ISRAEL IN 1983 WITH THE SMALLER FIGURE OF ROUGHLY DOLS 73 MILLION SECURITY AND ECONOMIC AID TO JORDAN.

8. THE CODEL DEPARTED JORDAN ON THE MORNING OF JANUARY 10. FROM THE EMBASSY'S PERSPECTIVE, THE VISIT WAS HIGHLY SUCCESSFUL, BOTH IN TERMS OF PROVIDING THE CODEL OPPORTUNITY TO EXCHANGE VIEWS WITH THE JORDANIAN LEADERSHIP ON IMPORTANT MIDDLE EAST ISSUES AND ALSO IN REVIEWING THE U.S. DEVELOPMENT AND SECURITY RELATIONSHIPS WITH JORDAN. WE ALSO BELIEVE THE JORDANIANS WHO MET WITH THE CODEL WERE IMPRESSED WITH THE CONGRESSMENS' THOUGHTFUL AND SUBSTANTIVE INTEREST IN JORDAN'S POLITICAL AND ECONOMIC FUTURE.

VIETS
END OF MESSAGE

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